

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

S.O.I.TEC SILICON ON INSULATOR
TECHNOLOGIES S.A. and SOITEC USA,
INC.,

Plaintiffs and Counterclaim
Defendants,

v.

MEMC ELECTRONIC MATERIALS, INC.,

Defendant and Counterclaim
Plaintiff.

JURY TRIAL DEMANDED

Civil Action No. 05-806-KAJ

**REPLY TO DEFENDANT'S COUNTERCLAIM
AND AFFIRMATIVE DEFENSES**

Plaintiffs S.O.I.TEC Silicon On Insulator Technologies S.A. and Soitec USA, Inc. (collectively, "Soitec") reply to the numbered paragraphs of MEMC Electronic Materials, Inc.'s ("MEMC") Counterclaim set forth in MEMC's Answer (Dkt. No. 47) to the Corrected First Amended Complaint (Dkt. No. 38) as follows:

47. This Counterclaim arises under the patent laws of the United States. This Court has subject matter jurisdiction over this Counterclaim under 28 U.S.C. Sections 1331 and 1338(a).

ANSWER: Admitted.

48. Venue for this Counterclaim is proper in this judicial district under 28 U.S.C. Sections 1391(c).

ANSWER: Admitted.

49. MEMC is a corporation organized and in good standing under the laws of Delaware. MEMC has a principal place of business in St. Peters, Missouri.

ANSWER: Soitec admits that MEMC is organized under the laws of Delaware and has a principal place of business in St. Peters, Missouri. Soitec is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

50. Upon information and belief, S.O.I.TEC Silicon on Insulator Technologies S.A. is organized under the laws of France and has a principal place of business in Bernin, France. Upon information and belief, Soitec USA, Inc. is a wholly owned subsidiary of S.O.I.TEC Silicon on Insulator Technologies S.A. and is a corporation organized under the laws of the Commonwealth of Massachusetts and has a principal place of business in Peabody, Massachusetts. These two Soitec entities are herein collectively referred to as "Soitec."

ANSWER: Admitted.

51. On May 22, 2001, the '104 patent was duly and legally issued to MEMC for an invention entitled, "Silicon on Insulator Structure From Low Defect Density Single Crystal Silicon." At all times since issuance of the '104 patent, MEMC has been and still is the owner of this patent, with the sole right to sue and recover for its infringement.

ANSWER: Soitec admits that the '104 patent was issued on May 22, 2001, as indicated on the face of the '104 patent, but specifically denies any implication that the '104 patent was duly and legally issued, or is valid or enforceable. Soitec is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

52. Upon information and belief, Soitec has been and still is infringing, actively inducing infringement of, and knowingly contributing to the infringement of the '104 patent, by making, using, offering to sell, selling and/or importing silicon on insulator structures covered by claims of the '104 patent in the United States in violation of 35 U.S.C. Section 271. Soitec will continue to do so unless enjoined by the Court.

ANSWER: Denied.

53. MEMC has been damaged by Soitec's infringement of the '104 patent and will continue to be damaged by such infringement in the future unless such infringement is enjoined by the Court.

ANSWER: Denied.

SOITEC'S AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

MEMC's Counterclaim fails to state a claim against Soitec on which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

Soitec has not infringed, contributorily infringed, and/or induced infringement, and does not infringe, contributorily infringe, and/or induce infringement of any valid claims of the '104 patent, either literally or under the Doctrine of Equivalents.

THIRD AFFIRMATIVE DEFENSE

As is set forth more fully in Count III of Soitec's Corrected First Amended Complaint, to the extent that the '104 patent contains any valid claims as to any patentable inventions, Dr. André Jacques Auberton Hervé is the sole inventor or a co-inventor of one or more of the alleged inventions so claimed. Dr. Auberton Hervé is the

chief executive officer of Soitec, and Soitec owns his inventive rights in the '104 patent. As such, Soitec is at least a joint owner of the '104 patent and is fully entitled to practice the validly claimed inventions, if any, of the '104 patent.

FOURTH AFFIRMATIVE DEFENSE

To the extent that the '104 patent contains any valid claims as to any patentable inventions, the application for the '104 patent omitted one or more inventors of the inventions claimed. The sole applicant for the '104 patent knew or should have known that one or more inventors were omitted from the application. If included on the application for the '104 patent, the other inventor or inventors would have acquired rights in the '104 patent that would not have belonged to MEMC. On information and belief the other inventor or inventors were omitted from the application for the '104 patent with deceptive intent. As such, the '104 patent is invalid. Alternatively, MEMC holds the patent in a beneficial trust for the benefit of the omitted inventor or inventors.'

FIFTH AFFIRMATIVE DEFENSE

On information and belief, Soitec is licensed to practice the '104 patent.

SIXTH AFFIRMATIVE DEFENSE

On information and belief, MEMC has licensed one or more of Soitec's suppliers to sell silicon for use in practicing the alleged inventions claimed in the '104 patent and has thereby exhausted its patent rights with respect to any use that Soitec may have made of any alleged invention claimed in the '104 patent.

SEVENTH AFFIRMATIVE DEFENSE

The '104 patent is invalid for failure to meet one or more of the conditions of patentability set forth in 35 U.S.C. §§101, 102, 103, 112 and/or 116.

EIGHTH AFFIRMATIVE DEFENSE

For the reasons set forth more fully in Soitec's Corrected First Amended Complaint, the '104 patent is unenforceable.

NINTH AFFIRMATIVE DEFENSE

MEMC's claims are barred by the doctrine of unclean hands.

TENTH AFFIRMATIVE DEFENSE

MEMC has failed to show compliance with 35 U.S.C. §287.

PRAYERS FOR RELIEF

WHEREFORE, Soitec denies that MEMC is entitled to any of the relief prayed for in its Counterclaim, and Soitec requests judgment against MEMC and respectfully prays that this Court enter orders that:

- (a) MEMC's Counterclaim be dismissed with prejudice;
- (b) Declare that the claims of the '104 patent are invalid;
- (c) Declare that the '104 patent is unenforceable;
- (d) Declare that Soitec has not committed any act of direct and/or indirect infringement of the '104 patent with respect to products and/or methods that Soitec makes, uses, imports into the United States, offers for sale, or sells;
- (e) Declare that MEMC holds the '104 patent and corresponding foreign patents in a beneficial trust for the benefit of the omitted inventor or inventors and order MEMC to transfer title accordingly;

(f) Enjoin MEMC, its agents, servants, employees and attorneys, and all those in active participation or privity with any of them, from charging Soitec or its agents, distributors, or customers with infringement of the '104 patent, from representing to others that Soitec is liable for patent infringement of the '104 patent, and from otherwise interfering in any way with Soitec's manufacture, use, import into the United States, offer for sale, or sale of semiconductor materials;

(g) This is an exceptional case, pursuant to 35 U.S.C. § 285. Soitec, therefore, specifically requests that the Court award Soitec its reasonable attorney's fees, expenses and costs in this action; and

(h) Grant Soitec such other and further relief as the Court deems just and proper.

JURY TRIAL DEMANDED

Pursuant to Federal Rule of Civil Procedure 38, Soitec demands a trial by jury on all issues so triable.

Dated: June 8, 2006

EDWARDS ANGELL PALMER & DODGE LLP

/s/ John L. Reed
John L. Reed (DE I.D. No. 3023)
Denise Seastone Kraft (DE I.D. No. 2778)
919 North Market Street, 15th Floor
Wilmington, DE 19801
302.777.7770
302.777.7263 (fax)
jreed@eapdlaw.com
dkraft@eapdlaw.com

*Attorneys for Plaintiffs
S.O.I.TEC Silicon On Insulator Technologies S.A.
and SOITEC USA, INC.,*

OF COUNSEL:

George W. Neuner (*Pro Hac Vice*)

Robert J. Tosti (*Pro Hac Vice*)

Alan M. Spiro (*Pro Hac Vice*)

Brian M. Gaff (*Pro Hac Vice*)

EDWARDS ANGELL PALMER & DODGE LLP

101 Federal Street

Boston, MA 02110

617.439.4444

617.439.4170 (fax)

- and -

Michael Brody (*Pro Hac Vice*)

Tracy Allen (*Pro Hac Vice*)

WINSTON & STRAWN LLP

35 West Wacker Drive

Chicago, Illinois 60601

312.558.5600

312.558.5700 (fax)